

**STATE OF MONTANA  
CAPTIVE INSURANCE COMPANY  
IRREVOCABLE LETTER OF CREDIT**

Letter of Credit No. (00001)  
Date

A.B.C. Bank  
Address  
City, State

Commissioner of Insurance  
State of Montana  
840 Helena Ave.  
Helena, MT 59601

Commissioner

1. We hereby establish our IRREVOCABLE LETTER OF CREDIT IN your favor for the account of \_\_\_\_\_ up to the aggregate amount of \$\_\_\_\_\_ available by your draft(s) drawn on us, at sight, bearing the number of this IRREVOCABLE LETTER OF CREDIT No. (00001). This LETTER OF CREDIT shall expire at our Letter of Credit Department, \_\_\_\_\_, at our close of business on \_\_\_\_\_ unless as hereinafter extended.
2. This LETTER OF CREDIT is issued pursuant to the provisions of Title 33, Chapter 28, MCA and on behalf of the above mentioned \_\_\_\_\_ (name of captive) which is applying for a certificate of authority to engage in the insurance business in the State of Montana as a captive insurance company. We understand and agree that \_\_\_\_\_ (name of captive) has no obligation to reimburse us and we have no right of set off against any funds held by us for \_\_\_\_\_ (name of captive) in the event this LETTER OF CREDIT is drawn down in whole or in part. By issuing this LETTER OF CREDIT, we waive any common law, statutory or contractual right of reimbursement or set off against \_\_\_\_\_ (name of captive) that may arise in the this LETTER OF CREDIT is drawn down, in whole or in part.
3. It is a condition of the LETTER OF CREDIT that it shall automatically extended for additional periods, each of one year, unless at least ninety calendar days prior to the then relevant expiration date we have advised you in writing that we elect not to extend. In that event, you may draw hereunder on or prior to the then relevant expiration date, up to the full amount then available hereunder, against your sight draft on us, bearing the number of this LETTER OF CREDIT.
4. It is a further condition of this LETTER OF CREDIT that each automatic extension shall be measured from the then relevant expiration date, even though such date is not a business day in Helena, Montana for this Bank. It is also a condition of this LETTER OF CREDIT that, for the purpose of drawing hereunder, if the then relevant expiration date is a nonbusiness day for our Bank, drawing may be made not later than our next immediately following business day.
5. This LETTER OF CREDIT sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any note, document, instrument, statute, regulation, or agreement referred to herein or in which this LETTER OF CREDIT is referred to or to which this LETTER OF CREDIT relates and any such reference shall not be deemed to incorporate herein by reference any note, document, instrument, statute, regulation, or agreement.
6. Each sight draft so drawn and presented shall be promptly honored by us if presented on or prior to the above stated expiration date or any extension thereof as above provided. Presentation under this LETTER OF CREDIT must be made at \_\_\_\_\_ located at \_\_\_\_\_ during normal banking hours.

Optional Provision

7. Unless otherwise expressly state, this credit is subject to the Uniform Customs and Practices for Commercial Documentary credits fixed by the International Chamber of Commerce, ICC Publications No. 500 (1993 Rev.).

Sincerely,